

Hungary

106. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, April 5, 1969.

SUBJECT

Senator Hartke and Cardinal Mindszenty

What Senator Hartke Wants To Do

Dick Allen spoke with Senator Hartke concerning the Cardinal Mindszenty affair.²

Hartke feels that he, along with Cardinal Koenig of Vienna, can proceed to Budapest, meet with Cardinal Mindszenty and, if he is willing, escort him out of Hungary and to the United States.

Hartke has met with the Hungarians on this matter, and feels that there would be no objection to Mindszenty's leaving Budapest. He is of the opinion that the transfer of the Cardinal from U.S. territory (i.e., the U.S. Embassy) to the United States proper would not constitute a legal problem. Hartke has broached this matter with the Soviets as well and is awaiting a reply. He is very pessimistic about State Department assistance in any attempt to secure Mindszenty's release.

A Reluctant Cardinal

The problem with getting Mindszenty out of our Embassy rests with the Cardinal himself. The Vatican has been eager to bring him out for years, and the Hungarian authorities have been prepared to let him go provided two conditions are met:

1. that he gives up his claim that he remain Primate of Hungary and its formal head of state;

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret. Sent for information. A notation by the President on the memorandum reads: "OK. So inform Hartke."

² Mindszenty had sought and received asylum in the United States Embassy in Budapest on November 4, 1956, in the wake of the Soviet invasion of Hungary. The Hungarian Government's refusal during the ensuing years to grant him complete political rehabilitation led him to remain in the Embassy. Regarding Mindszenty's receipt of asylum in 1956, see *Foreign Relations, 1955–1957*, volume XXV, Eastern Europe, Document 163. Puhán's *Cardinal in the Chancery*, pp. 185–218, discusses the diplomacy surrounding the Cardinal's potential departure from the Embassy.

2. that once out of the country he engages in no activities inimical to Hungarian state interests.

The Vatican accepts these conditions; the Cardinal categorically rejects them. The matter has been discussed with Martin Hillenbrand who, until recently, was our Ambassador in Budapest.² It is his judgment, from innumerable conversations with the Cardinal, that he will never accept these conditions.

For this reason, the Hungarian regime has been quite content to leave Mindszenty in our mission where, whatever his claims, he remains silent.

All the evidence indicates that, if we tell the Cardinal he must leave our premises, he will walk into the street and have himself re-arrested. He may indeed almost prefer to be a martyr in a Hungarian jail than a guest in our Embassy.

I doubt that Senator Hartke will accomplish what Cardinal Koenig has failed to accomplish in his repeated efforts, in behalf of the Pope, to persuade Mindszenty that he should leave.

In the circumstances, I believe there is nothing we can do but accept the status quo.

³ Hillenbrand left Budapest on February 15. He entered on duty as Assistant Secretary of State for European Affairs on February 20.

107. Memorandum of Conversation¹

Washington, June 23, 1969, 3:30 p.m.

SUBJECT

Hungarian Ambassador's call: US Reply to Hungarian Note of May 22 (see Memcon, May 23, 1969)²

PARTICIPANTS

Hungarian Ambassador Janos Nagy
Martin J. Hillenbrand, Assistant Secretary for European Affairs
Leslie C. Tihany, Hungarian Country Officer, EUR/EE

¹ Source: National Archives, RG 59, Central Files 1967-69, POL HUNG-US. Confidential. Drafted by Tihany. The meeting took place in Hillenbrand's office.

² Both the Hungarian note of May 22 and the memorandum of conversation of May 23 are *ibid*.

Ambassador Nagy called, at Mr. Hillenbrand's invitation, to receive our reply to the Hungarian note of May 22, in which the Hungarians had proposed a high-level review and negotiation of all outstanding US-Hungarian bilateral problems. In handing the Ambassador our note,³ Mr. Hillenbrand orally stated our agreement in essence with the Hungarian proposal but suggested that we begin talks at once in the existing ambassadorial channel at Budapest. After review and discussion of our bilateral problems by Deputy Foreign Minister Szilagyi and Ambassador Puhán, we could come to a decision regarding the level and venue of the next phase. Mr. Hillenbrand mentioned, in passing, that we continued to be interested in moving toward a solution of the claims problem. He also told the Ambassador that there would have to be a delay in our submission of a negotiating draft of the proposed US-Hungarian consular convention in view of the fact that the Vienna Consular Convention of 1963,⁴ on which our draft is based, may soon come up for hearings before the Senate Foreign Relations Committee. We would wish to complete our draft in the light of the Senate action on the Vienna convention.

On the related subject of amortization of the Hungarian surplus property debt balance, Mr. Hillenbrand stressed to the Ambassador our strong interest in moving ahead on this problem without further delay. He explained that we would not like to have progress held up on this matter, which has already been a subject of considerable discussion between our Embassy and Messrs. Szilagyi and Reti. Specifically, we would like to have an early answer from the Hungarians to our request for a more favorable (30 forints to \$1) drawdown rate and also an indication of what the Hungarians had in mind when they suggested a "contemporary advantage" for this arrangement in a non-financial area. An early resolution of this problem, Mr. Hillenbrand noted, would assist in creating a helpful atmosphere for progress in other, related matters.

In accepting the note, Ambassador Nagy expressed pleasure that it contained "good news." In response to a question from Mr. Hillenbrand as to what kind of procedure the Hungarians envisaged for the proposed review and examination of our bilateral problems, the Ambassador said that, in making its May 22 proposal, his Government had one of three channels in mind: Deputy Foreign Minister Szilagyi with Assistant Secretary Hillenbrand in Washington; Szilagyi with a State Department delegation in Budapest; or Szilagyi with Ambassador

³ The reply to the Hungarian note of May 22, dated June 23, is attached but not printed.

⁴ For text of the agreement, which entered into force for the United States on December 24, 1969, see TIAS 6920.

Puhan, also in Budapest. He agreed with Mr. Hillenbrand that, in view of Mr. Szilagyi's present poor state of health, the third of these three possibilities appeared most appropriate at least until autumn. At that time, he concurred, we could further assess the situation.

Mr. Hillenbrand replied in the negative to a question from Ambassador Nagy whether our note was being simultaneously delivered in Budapest to the Ministry for Foreign Affairs. He said that our Embassy did have the text.

The Ambassador's call ended in a brief and informal tour d'horizon, in the course of which he and Mr. Hillenbrand ranged over a wide field, including the Suez, the Hungarian merchant marine, and Ambassador Dobrynin's, as well as the Far East Soviet Ambassadors', return to Moscow on consultation. Throughout the entire conversation the tone was cordial. In taking his leave, Ambassador Nagy expressed pleasure at Ambassador Puhan's presentation of credentials speech on June 16, a copy of which he had received from Budapest.⁵

⁵ Not found.

108. Memorandum of Conversation¹

Budapest, June 26, 1969, 11 a.m.

SUBJECT

Meeting with Deputy Foreign Minister Bela Szilagyi

PARTICIPANTS

Deputy Foreign Minister Bela Szilagyi
American Desk Officer Jozsef Kerekes (part of the time)
Ambassador Alfred Puhan

REFERENCE

Budapest 871, 872 and 873²

¹ Source: National Archives, RG 59, Central Files 1967-69, POL HUNG-US. Confidential. Drafted by Puhan on June 27 and approved by Tihany (EUR/EE). The meeting was held at the Foreign Ministry.

² Telegrams 871 and 873 from Budapest, June 27, are *ibid.* Telegram 872, June 27, is *ibid.*, FT 1 HUNG-US.

Minister Szilagyi met me promptly at 11:00 a.m., June 26. I expressed regret that he had been ill but was glad to see him back in his office. He told me that he had had several very severe attacks of asthma which had incapacitated him for work. He felt better now but would have to watch himself.

I told him that I was very pleased to be in Budapest, to assume a relationship with him which my predecessor had enjoyed. He made the remark, "several of your predecessors." I told him that, as he probably knew, I had been present at the meeting with Ambassador Nagy on May 23 in the Department.³ As he knew, also, the Acting Secretary had welcomed the Hungarian initiative. He was also undoubtedly aware that Assistant Secretary Hillenbrand had handed over a reply to Ambassador Nagy on June 23.⁴ I asked him if he had a copy of the American note. He replied that he did but it was only in Hungarian, whereupon I presented him with a copy of the note in English for which he was grateful. I went on to say that I had indicated my Government's and my intentions in my accreditation speech to work toward the objective of improving our relations.

I was sure he had noted that he, Minister Szilagyi, would always be welcome in Washington. This was meant sincerely. I could assure him that Assistant Secretary Hillenbrand would be delighted to see him and that he would find a positive reception in the Department of State. I did not regard any talks that we might have as a substitute for an eventual meeting between him and Mr. Hillenbrand. He nodded appreciatively.

Mr. Szilagyi took the initiative at this point and asked me if it would be agreeable to have Mr. Kerekes come in and join us. He said that he thought that in the discussions which we would have we each should have a note-taker. He said he was aware of this practice in the Department of State. He thought that it would be helpful in keeping the record.

I agreed and said that for my next meeting with him I would bring along a note-taker, someone who was a member of my staff, both to take notes and to participate in the discussion if required.

Szilagyi turned next to what he called lack of continuity in the American Embassy. He said he hoped that I would remain here at least three years. He said just as he got to know Owen Jones,⁵ the latter fell ill and was effectively removed from further discussions. Elim

³ See footnote 2, Document 107.

⁴ See footnote 3, Document 107.

⁵ *Chargé d'Affaires*, December 1962–July 1964.

O'Shaughnessy had suffered an untimely death⁶ and my immediate predecessor, Mr. Hillenbrand, had been here too short a time. I told the Minister that my stay in Budapest was of course at the pleasure of the President, but I had this morning sent off a telegram accepting an offer to rent my house in Washington for three years.

Szilagyi said he wanted to return to my remarks regarding a possible meeting in Washington. He thought it was too early to make a decision on any possible change of venue, but was agreeable to leaving open the possibility that at some stage of the game Mr. Hillenbrand could journey to Budapest or he to Washington.

Szilagyi said next that he would ask me to keep the discussions we would have as strictly confidential. He said he had had some bad experiences on this point. He said that without blaming anyone it had come to his attention that journalists were occasionally filled in on conversations with him. He spoke of the pressure which journalists can exert on officials of governments. He said that specifically when I arrived in Budapest RFE in announcing my arrival had given a rather specific list of the issues which I proposed to discuss with the Hungarian Government. I assured him that such information had not come from me and he in turn assured me that he recognized that. I told him that insofar as this was possible, the discussions between him and me would be kept confidential. Obviously, he would have to realize that in order for these discussions to be useful I would have to report them to my Government. While I was sure the confidence would be respected, I could not be totally responsible for what happened after they left my Embassy. He seemed satisfied. He added that the talks which he had had with State Secretary Lahr of the German Foreign Office had been impaired by German inability to keep their mouths shut.

Szilagyi said he had learned that US diplomats were frank and direct. He wanted to talk with me in a free, frank way and hoped I would do the same with him. I told him that I could agree to that and that I would not hesitate to tell him the unpleasant as well as the pleasant if that was necessary.

Szilagyi asked me about a remark he said I had made during my Credentials presentation talk concerning model relations. I said I did not use that expression in my formal remarks but had said in a conversation between myself, President Losonczi and Acting Foreign Minister Puja that I saw no compelling reasons why we could not have better relations with Hungary. Indeed, why we could not have model relations with Hungary so far as the United States and Eastern European states were concerned.

⁶ Chargé d'Affaires, November 1964–September 1966.

Szilagyi next suggested that we should prepare an agenda of all the items which each side believes ought to be discussed in upcoming meetings. He called these lists “non-committing lists.” He thought that at the first meeting we should compare them and reach agreement on what we were going to discuss in future meetings. I agreed to this procedure.

Szilagyi said he thought it would be impossible for the two of us to deal with every aspect of all questions, political, economic and cultural. He thought there might arise a need for expert advice. He thought we ought not to exclude the possibility of meetings between experts. He mentioned Reti in this connection and said he thought I might want to have Mr. Meehan or Mr. Wilgis meet with Reti but that was only a suggestion. He thought that we would want such experts to report back to him and me. I said we did not need to exclude the possibility of meetings between experts.

Szilagyi said the solution of our problems could be a slow and long procedure. There were problems that had been neglected or had remained unsolved for a long time. He did recognize that possibly five or six issues, without identifying them, could be solved by autumn but some would take much longer.

I took this occasion to call to his attention the fact that our note of June 23 had urged upon the Hungarian Government no further delay in the solution of the amortization of the Surplus Property debt. I said I was under instructions from my Government on this point to raise it with him and I was doing so.

Szilagyi looked at me and asked why the United States Government attached such great importance to this issue. I told him there were at least two good reasons: one was that our case was just; and two, that there had been a great deal of discussion of this matter and it seemed to us there wasn’t much need to have much more. I added that he would agree that to be successful in the solution of other problems we would have to have some movement early to produce the climate conducive to the solution of other problems. This was one problem which could be solved quickly and could produce motion on others.

He said that this had been originally part of the bigger claims issue. Without pursuing this point, however, he promised to take note of our views and to study the problem earliest.

Szilagyi thought that we were in agreement on procedure. I told him he could name the date for the next meeting. He said he had another question to ask. He wanted my opinion on Hungary’s chances of improving her trade relations with the United States. In this connection he referred to an alleged statement by the President two weeks ago, saying that the President was against East-West trade. I said I was unaware of such a statement: could he identify it for me? Kerekes said

that he didn't think it was the President who had made that statement. I said I would be greatly surprised if this were an accurate statement but if he could supply further identification I would try to get him the correct version. I referred him to some testimony on the Export Control Act⁷ where the Administration had decided to proceed with the Act as it now stood. He asked about a report of a Banking Committee. I told him I had seen a report of a Subcommittee of the Banking Committee of the US Senate, favoring some changes in the Act.⁸ He asked me why the Administration took the position it did. I told the Minister that what I was about to say was my personal observation because much of what had happened on this subject had transpired while I was enroute to Budapest. I felt, however, that the question was one first of all whether the Act served our purposes at this time and the Administration felt that it did. I felt also that the question of trade with Eastern Europe depended somewhat upon the general international picture. In other words, if international tensions eased the prospects for changes in this area would improve.

Szilagyi said he thought it would take a long time before Hungary could improve her trade with the United States. I said that I did not wish to be optimistic in this regard for a variety of reasons. One reason was that Hungary did not have too many products in demand in the United States. I felt that although we had noted some progress had been made in trade that it would be wrong to predict an early upturn. Szilagyi said that even if the Hungarians settled the US claims issue he was doubtful that Hungary would get MFN. I told him that I could certainly not assure him that Hungary would get MFN in that case, but Hungary would never get MFN without settling the claims issue. He agreed. Szilagyi said it was a long, uphill struggle but he felt that we ought to work at it if nothing more than to lay the groundwork for an improvement in this field.

Szilagyi ended the conversation by assuring me of Hungary's co-operation and willingness to examine all questions.

When leaving I asked him when he wanted to meet in our first official session. He said that perhaps next week or the week after, but

⁷ The Nixon administration's request for wider authority to set trade policy toward Communist states resulted in P.L. 91-184, the Export Administration Act of 1969. For text of the law, approved December 30, 1969, see 83 Stat. 841. For hearings, see *Export Expansion and Regulation. Hearings Before the Subcommittee on International Finance, Committee on Banking and Commerce, United States Senate, 91st Congress, 1st session* (Washington D.C.: Government Printing Office, 1969).

⁸ Not found.

that he was inviting me to lunch next Wednesday and would set the date at that time.⁹

⁹ Their next formal meeting took place on July 25 when the two men exchanged lists of issues to be discussed. A memorandum of their conversation is in the National Archives, RG 59, Central Files 1967–69, POL HUNG–US. In telegram 947 from Budapest, July 11, Puhan commented that he was “not dissatisfied with the progress we have made thus far,” but noted Szilagyi’s reputation as a hard bargainer who would demand “value” in return for concessions. (*Ibid.*)

109. Telegram From the Department of State to the Embassy in Hungary¹

Washington, August 16, 1969, 0113Z.

138447. Subject: Bilateral negotiations: Trade Topics. Ref: Budapest 1083.²

1. Department agrees that we should explore with Hungarians what can be done to expand trade and economic relations even in absence MFN and has reviewed Embassy list of recommendations with this in mind. While prospects for significant trade growth are necessarily modest, we do feel we can make sufficiently positive responses to convince Hungarians of our serious intent to reduce obstacles to trade.

2. We wish to be careful, however, not to give Hungarians unduly optimistic impression of what can be achieved. While we may point out possible steps to expand trade, ultimate decisions and responsibility for results rest with them. We should not be in position of suggesting costly sales promotions, such as participation in US trade fairs, when we cannot judge whether they would be worthwhile in terms of current trade potential. These are business decisions which ought to be made by Hungarians in light of careful market research and planning.

3. Following is a recapitulation of status of various suggestions in reftel.

¹ Source: National Archives, RG 59, Central Files 1967–69, POL HUNG–US. Confidential. Drafted by J.R. Tartter (EUR/EE); cleared by McDonnell (E/CBA), Duncan (E/OMA), and Lisle (EE); cleared in substance by Lewis (Commerce); and approved by Swank.

² Dated August 6; it reported the statement of goals of the Hungarian Foreign Trade Ministry presented to a U.S. representative on August 5. (*Ibid.*)

a. Bilateral tariff negotiations: as stated State 133913,³ this would be in conflict with US trade policy and require new legislative authority.

b. Credit limitations: Re Ex-Im Bank credit policy, as noted in State 133913 Fino Amendment precludes Ex-Im credits or guarantees as long as Hungary is supplying war material or peaceful goods to North Vietnam. Re application of Johnson Act to commercial credit, Attorney General's letter to Secretary of May 9, 1967 (enclosure to CA-4257, December 15, 1967)⁴ gives guidelines. Embassy may wish to give copy of letter to GOH officials.

c. Claims settlement: Status outlined State 132858.⁵

d. Export control and Group W status for Hungary: Will be subject of separate message.

e. Partner for Hungarian Chamber of Commerce: Many national Chambers of Commerce, some with offices in US, are affiliated with US Chamber. However no Eastern European Chamber is now affiliated and probably could not qualify since US Chamber accepts only national Chambers which have no government subsidy or connection. Dept also checking possibility affiliation with NY Commerce and Industry Assn and will advise. However subject best pursued by Hungarian Embassy officials here. Dept will be glad to steer Embassy officials to knowledgeable sources such as German-American Chamber of Commerce in NY which we told carries on model trade promotion program.

f. Trade Missions: Commerce considers that, pending a change in US trade policy, another official Dept of Commerce trade mission would not now be justified in terms of amount of serious business it could undertake. Will however continue to encourage IOGA missions like Michigan State mission scheduled to visit Budapest in October.

g. Visit by Hungarian trade officials: We would be happy to facilitate visit by Veress and Lengyel who will in any event be in Canada. However we have no particular agenda in mind and would prefer to have visitors suggest topics in advance. It should be understood that on tariff and credit questions, we can do little more than reiterate positions already well-known to them. Whether visit would be worthwhile for Hungarians can probably be better assessed a little later. Meanwhile more aggressive activity by Hungarian Embassy trade officers would be desirable as providing possible basis for visit.

³ Dated August 11; it outlined trade policy and the availability of credits for Hungary. (Ibid., FT 7 HUNG-US)

⁴ The enclosure discussed the impact of the Johnson Act on trade with Soviet Bloc states. (Ibid., FN 6-11)

⁵ Dated August 3; it commented upon the status of claims against Hungary. (Ibid., PS 8-4 US-HUNG)

h. US trade fairs: These of course are privately organized and Commerce does not normally issue invitations. Since US fairs are listed semi-annually in *International Commerce*, Embassy can undertake to draw fairs to attention of GOH trade officials and provide information on how to participate.

i. Industrial cooperation and air agreement: Embassy has received preliminary US views and further guidance will be sent as talks progress.

Johnson

110. Telegram From the Department of State to the Embassy in Hungary¹

Washington, September 20, 1969, 1922Z.

160353. Ref: Budapest 1400, 1404.² From Acting Secretary to Ambassador.

1. The Hungarian rejection of our proffered visit by the astronauts, and particularly the tone and words in which it was conveyed, are source of concern to White House and to us.

2. It is inevitable that the course of US-Hungarian relations will be affected, and you should take steps to effect an appropriate cooling down. We do not intend to give publicity to these steps, but we expect them to be of character to reflect extent of our concern and it should be brought clearly home to Hungarians that they relate to cancellation of astronauts. Secretary, for example, will not receive Under Secretary Puja in New York (urtel 1431).³ So far as further bilateral talks, visits, and exchanges are concerned, you should await Hungarian initiative and seek specific instructions on whether and how to proceed. We intend to limit bilateral talks to issues involving clearcut, demonstrable and concrete advantage to the interests of the US.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret; Priority; Exdis. Repeated priority to USUN for Secretary Rogers as Tosec 21. Drafted by Swank and Lisle, cleared by Hillenbrand and Kissinger, and approved by Richardson.

² Telegrams 1400 and 1404 from Budapest, September 19, reported on Hungarian reaction to a projected visit by U.S. astronauts. (Ibid., RG 59, Central Files 1967–69, POL HUNG–US)

³ Dated September 17; it reported on the membership of the Hungarian UNGA delegation. (Ibid., UN 3 GA)

3. We have also considered canceling visit of AEC Chairman Seaborg to Budapest September 29, but since he will spend only twelve hours in country and will confine his activity to conversation on scientific matters with Deputy Chief Central Institute of Physics Lenard, he will proceed as planned.⁴

Richardson

⁴ In telegram 1478 from Budapest, September 23, Puhan expressed his "full" agreement with the tack the Department of State proposed to adopt and suggested a series of practical measures for implementing the policy. (Ibid., Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I) U.S. irritation at the Hungarian rejection of the astronaut visit was conveyed to Nagy by Hillenbrand during a September 25 meeting. (Telegram 163643 to Budapest, September 25; *ibid.*)

111. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, January 23, 1970.

SUBJECT

Relations with Hungary: Secretary Rogers Wants to Resume Efforts to Clean up Pending Bilateral Problems

State has been straining at the leash to pick up again the negotiations begun with Hungary last year to clean up a whole series of long-pending bilateral problems. You will recall that Ambassador Puhan, after he assumed his post last year, negotiated four essentially house-keeping settlements with the Hungarians. The White House has never been consulted and when he and State proposed to move on to a second group of problems we told them they should first seek Presidential approval.²

Then the episode of the astronauts occurred. State felt that the Hungarians rejected the President's offer at Soviet instigation and they also believed that the text of the Hungarian rejection was not as rude

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files, Europe, Hungary, Vol. I. Secret; Exdis. Sent for action.

² An undated memorandum from Kissinger to Richardson ordering a delay in negotiation of new agreements is *ibid.*

in the original as it appeared in the English translation. State also feels that if we settle the next group of issues we will benefit at least as much as the Hungarians. More basically, State believes that Kadar has been attempting to play a moderating role vis-à-vis the Russians, for example as regards Czechoslovakia, and that, on the whole, his domestic policies have a liberating tendency. The argument is that improved US-Hungarian relations would tend to reinforce these trends.

Without necessarily accepting these propositions in toto, I think there is some merit in proceeding in a low-key and not making an issue with the Secretary of State. Moreover, since the President himself proposed the astronaut visit which, had it not been rejected, would have been a significant initiative toward Hungary, I don't really see how we can reasonably object to State's proposal. I think it probably is also true, as State notes, that the Hungarians have tried to make up to some extent for the astronaut episode with some limited gestures.

*Recommendation*³

That you forward the memo at Tab A⁴ to the President and, following approval, inform the Secretary of State that he should proceed in a low-key manner and on the basis of reciprocity.

(*Note:* I will draft a memo to the Secretary as soon as the President returns the package. In the event you do not wish to bother the President, you may wish to send the attached memo (Tab B)⁵ right away.)

³ Kissinger's handwritten "Approve" at the top of the first page of the memorandum indicates he approved the recommendations. Below his note is the stamped date January 27.

⁴ Not printed. Tab A is a January 16 memorandum from Rogers to the President outlining proposed new steps toward improving relations with Hungary.

⁵ Not printed. Tab B is a January 27 memorandum to Rogers, in which Kissinger stated: "The President has approved your memorandum of January 16 recommending the resumption of bilateral negotiations with Hungary. As he does in the case of similar negotiations with other Communist countries, the President wishes these talks to be conducted in a low key and on the basis of strict reciprocity." Instructions to renew the dialogue with Hungary together with the presidential admonition to keep them low key were forwarded in telegram 14555 to Budapest, January 30. (*Ibid.*, RG 59, Central Files 1970-73, POL HUNG-US) In telegram 197 from Budapest, February 14, Puhan reported that talks had resumed the previous day. (*Ibid.*)

112. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, November 6, 1970, 1500Z.

1911. Subject: U.S.-Hungarian Bilateral Relations. Ref: State 178188.²

1. Dep FonMin Marjai invited me to meet with him for resumption discussion U.S.-Hungarian relations yesterday, November 5. Marjai accompanied by Bartha, Kovacs and Kerekes took initiative by proposing we continue our discussions along lines agreed upon by me and his predecessor, Szilagyi. Emphasized importance of continuing good atmosphere and expressed GOH hopes for success.

2. I replied we were prepared to continue discussions. I noted however that uncertainty had been created in Washington as to the desire of the Hungarian Government to improve its relations with us by FonMin Peter's speech in the UN.³ I added that public official statements misrepresenting our intentions and policies were not conducive to the improvement of bilateral relations. I concluded that any check of US official statements concerning Hungary would show that we had been most careful.

3. Marjai replied both sides knew each other's views on larger international issues and though problems existed, they should not deter us from continuing to develop our relations. He made no response to my reference to the Peter speech and the Secretary's reaction to it. He asked if we could go to item by item review.

4. Rest of the meeting concerned item by item review of 1969 agenda, dropping items which had been resolved by August 1969 agreements.⁴ At my request announcing in/out procedure required by Hungarian authorities for holders of diplomatic and official passports added to agenda.

¹ Source: National Archives, RG 59, Central Files 1970-73, POL HUNG-US. Confidential.

² Dated October 25; it instructed the Embassy to delay resumption of talks in the wake of a variety of anti-American moves by the Hungarian Government. (Ibid.)

³ For text, see UN doc. A/PV.1868.

⁴ On August 15 the Department of State announced that as the result of talks between Puhan and Szilagyi in Budapest, the United States and Hungary had exchanged letters "reflecting understandings reached on the following points: the establishment of a Hungarian commercial office in New York City, means of payment of the Hungarian surplus property debt that was incurred following World War II, and staffing of the United States Embassy in Budapest and the Hungarian Embassy in Washington." (Department of State *Bulletin*, September 8, 1969, p. 214) For the U.S. list of possible issues for discussion, see Document 109.

5. While making no concession on informational activities, Marjai said it was Hungarian turn to take next step—that is, remove restrictions on U.S. informational activities in Hungary.

6. We agreed to establish priorities on items by November 16.

7. *Comment:* Instruction reftel carried out. Failure of Marjai to respond, or attempt to take issue with my remarks, appears to be clear evidence that Hungarians fully aware of magnitude of Peter's gaffe in New York, or displeasure it aroused in Secretary's mind, and of desire to forget it. On items in bilaterals, GOH seems genuinely willing to explore ways and means of improving relations.

Puhan

113. Memorandum From C. Fred Bergsten of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, February 8, 1971.

SUBJECT

Hungarian Indication of Interest in Membership in the International Monetary Fund

Hungary has just renewed its indication of interest in the International Monetary Fund. The Hungarians had been pursuing the possibility of Fund membership prior to the invasion of Czechoslovakia but ceased doing so immediately thereafter.

The specific Hungarian step is a request that the IMF send an official to Budapest, without specifying why. The Fund plans to send the head of its European department, a middle-level official in the Fund hierarchy. He will make the trip without fanfare in early May. Hungary has made no formal request for membership, and will presumably evaluate the discussions with the Fund official before making a decision on whether to do so.

Next to Yugoslavia, Hungary has gone much further in liberalizing its domestic economy than any other Communist country. It is par-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Confidential. Sent for information. A copy was sent to Sonnenfeldt.

ticularly anxious for economic contacts with the West, toward which IMF membership would be a giant step. As I informed you earlier, Romania has also repeatedly indicated an interest in Fund membership and plans to move in that direction as soon as it works out terms with the Soviets on which it will feel able to first join the Comecon Bank of Eastern Europe—of which Hungary is already a member.

IMF membership would be an extremely important step for any Eastern European country. (None is now a member, except Yugoslavia. Czechoslovakia was expelled in 1949—and Cuba in 1961.) Such membership would require disclosure of data and consultations with the Western world which could only have a dramatic effect in opening the economies—and therefore overall societies—of the countries in question, as in fact has happened in Yugoslavia. I therefore regard it as greatly in our interest to see these countries become members of the Fund.

Treasury and even State take a fairly hard-nosed position on the issue, however. They would require that any Communist country accept immediately all responsibilities of Fund membership, which might be very hard for some of them without unacceptable political repercussions from the Soviets. In addition, the agencies would even try to link settlement of some of our outstanding bilateral financial claims with these countries for our support of their IMF membership, which could easily kill the whole deal.

No action is needed now. At some point during the next six to twelve months, however, we may have to determine a U.S. position on IMF applications by Hungary and/or Romania. I will continue my efforts to soften the agencies' positions on the issue, on the assumption that you agree that it would be in the U.S. interest for them to join the Fund (and the World Bank, which goes along with Fund membership). Please let me know if you have any views on the subject.

114. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, May 14, 1971, 0700Z.

785. Subject: Cardinal Mindszenty.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files, Europe, Hungary, Vol. I. Secret; Exdis.

1. During my May 13 meeting with him, Foreign Minister Peter raised the subject of Cardinal Mindszenty on his own initiative.² He said he was not at liberty to interpret or disclose what the Pope said during his conversation with him in Rome.³ He had been much impressed with the Pope as a man of great vision and high intelligence. Peter said, however, he was at liberty to say what he had said to the Pope, in confidence of course. He had told the Pope that the GOH was prepared for a real solution to the Mindszenty problem. He said his government acknowledged that it was a problem for Hungary and for the Vatican, as well as for the American Embassy, as long as the Cardinal was in the Embassy. He said he had told the Pope there are two conditions the Hungarians would have to insist upon for arriving at a solution of this problem. The first was that the Cardinal not be used to disturb relations between church and state in Hungary. The second was that the Cardinal not be used for cold war purposes against Hungary.

2. Peter asked me at this point whether I knew that Monsignor Cheli had recently been in Budapest. (By “recently” he appeared to mean within the last two weeks and in any case probably after Peter’s visit to Rome.) I replied in the negative. Peter said Cheli had come here to talk with Hungarian officials. He said he brought no new proposals but intended to present a solution of the Mindszenty problem to the Hungarian Government within two or three weeks.

3. I told the Foreign Minister I appreciated his frankness. I said I also appreciated the fact that he acknowledged something which I had not heard Hungarian officials acknowledge before, namely, that the Cardinal was a problem for the Hungarian Government and the Vatican as well as to us.⁴ In the past the Hungarian view had been he was a problem only to the American Embassy. I said I was glad to see that we were reaching some sort of agreement at least on the dimensions of the problem and whom it concerned. I said I wished to reciprocate the candor with which he had spoken. I frankly saw little hope of a solution because of the Cardinal’s strong feelings regarding his position as a Hungarian, as primate, and his concern over his place in history. I mentioned in this connection his memoirs and said I trusted the Hun-

² See Document 115.

³ Peter met with the Pope on April 16. In telegram 2569 from Rome, April 26, the Embassy reported that Pope Paul raised the Mindszenty situation and the Vatican’s desire to see it resolved in the context of a global solution of outstanding church-state issues. Peter replied that his government wanted the Vatican to impose “absolute silence” on the Cardinal as its price for settlement. Pope Paul replied that “it would be difficult to comply.” (National Archives, RG 59, Central Files 1970–73, POL 7 HUNG)

⁴ Puhan discusses the problems created by Mindszenty’s presence in the U.S. Embassy in *Cardinal in the Chancery*, pp. 185–214.

garian Government was prepared at some date in the future for the appearance of his memoirs.

4. The Foreign Minister said that while he couldn't interpret what the Pope had said he could tell me that the Pope was anxious for a solution of this problem. He urged the greatest confidence upon me, and said the Pope also had come to the conclusion that Cardinal Mindszenty should not spend his remaining days in Hungary. He added he also had had the impression from the Pope that Cardinal Mindszenty's resistance to leaving the American Embassy and Hungary had diminished somewhat.

5. I said I could not confirm the latter statement in any way. Of course I may not have information which the Holy See has, but my own impression is that this is not accurate. I also said that as far as we were concerned, the Cardinal could remain in our Embassy. I was, however, concerned with the difficulties that might ensue if he should be the victim of a lingering illness which required medical assistance of the sort we could not render.

6. Peter acknowledged this potential difficulty. He concluded the conversation by saying he wished to repeat that his government was prepared for a workable solution but the two conditions he had mentioned earlier would have to be met. He had great confidence in the ability of the Vatican to assure the fulfillment of these conditions.

7. *Comment:* Peter is a slippery character, and what he told me should be looked at with caution. He certainly conveyed more movement on the Mindszenty problem than I have seen in the past two years with, if he can be believed, a fair amount of understanding between the Hungarian Government and the Vatican as to what is to be done. The Cheli visit to Budapest, apparently following closely on Peter's visit to Rome, suggests desire on both sides to pursue the question actively. Peter talked quite firmly of the Vatican's presenting a "solution" of the problem shortly, and his confidence in the Vatican's ability to assure fulfillment of the Hungarian conditions is noteworthy. Our role at this stage is a passive one but it would be helpful at least to have some idea of what the Vatican has in mind. Department and Ambassador Lodge comments requested.⁵

Puhan

⁵ According to Puhan, *Cardinal in the Chancery*, p. 199, he received further instructions and the views of Lodge in Washington in June during his consultations following home leave.

115. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, May 14, 1971, 0740Z.

787. Subject: Meeting With FonMin Peter.

1. FonMin Janos Peter in one hour meeting with me May 13 prior to my departure on home leave and consultations made following points:

A) Hungary wants to improve its relations with U.S. Regretted impression created by Hungarian statements on international issues sometimes gave opposite effect. Said GOH willing to start new positive phase in bilaterals upon my return.

B) Without going into details our bilaterals,² I nevertheless mentioned failure of GOH to reciprocate our unilateral lifting of restrictions on Hungarian information activities in U.S. Peter stated he aware of importance U.S. move and significance we attached to it. Said: Your move will be reciprocated.

C) Peter said he and EE colleagues had made great mistake in initial phases of CES campaign by not including U.S. and Canada in discussions at very beginning. Described Hungarian interest in CES as strictly device to construct European security system which would permit withdrawal of foreign forces from both West and East Europe, which is in interest of both and also of U.S. in helping U.S. with balance of payments problem. Acknowledged Berlin settlement crucial to European security but regretted, as he put it, it had been made pre-condition hd [to?] preparations for CES. Felt earlier NATO formulation making it and settlement other questions pre-conditions to holding CES, as distinct from preparing for CES, not acceptable to EE's but preferable to later formulation. Asked I see him again on CES after consultation in Washington.

2. Peter said Kadar regretted that my meeting with him had not materialized but would see me upon return.

3. Meeting cordial.

4. Memcon pouched.

Puhan

¹ Source: National Archives, RG 59, Central Files 1970–73, POL HUNG–US. Confidential.

² Puhan reported on his latest meeting with Marjai in telegram 757 from Budapest, May 10. (Ibid.) In telegram 788 from Budapest, May 10, he analyzed the state of these talks. (Ibid.)

116. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 5, 1971.

SUBJECT

The Crown of St. Stephen: Should We Return It?

Background

The Crown is the property of the Hungarian nation and a Hungarian national treasure which came into U.S. custody toward the end of World War II. Unsettled conditions within Hungary and chronic strains in U.S.-Hungarian relations made consideration of the Crown's return to Hungary inappropriate and it has therefore remained in U.S. safekeeping.

Our prolonged custody of the Crown and the question of its ultimate return to Hungary have many delicate aspects. We are mindful not only of the unique character of the Crown as an historic relic of great symbolic and constitutional significance to the Hungarian people but also of the political and emotional sensibilities with which Hungarian émigrés and many Hungarian Americans regard the Crown.

The Hungarian Government has raised the matter of the Crown's return in recent years as relations have gradually improved between the United States and Hungary. It was last raised formally by the Hungarians in 1965, but has been mentioned in conversation from time to time since. The Hungarians are confident that we understand their concern about getting the Crown back "sometime." They also understand that we know the Crown belongs to them, not us. However, they also understand our domestic émigré problem and are not pressing us.

Recent Developments

Last year the Hungarians celebrated the millennium of the birth of St. Stephen, and, not unexpectedly, there was press speculation here that the U.S. was giving very serious consideration to returning the Crown of St. Stephen which came into the possession of U.S. forces in Austria in May of 1945. This speculation, in turn, created a flood of inquiries from Hungarian-Americans who demanded that we not return the Crown. You corresponded with Mr. Pasztor (of the Heritage Groups

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files, Europe, Hungary, Vol. I. Confidential. Kissinger initialed the memorandum.

Division of the Republican National Committee), Congressman Hogan and Ambassador John Lodge on this subject and assured them that there were no present plans for the Crown's return.²

Pros and Cons on Return

The traditional—and perhaps most telling—factor against a return of the Crown is the domestic U.S. impact. Mr. Pasztor last year indicated that if the Crown were returned, “we can write off the votes of the majority of Hungarian-Americans and those of a significant portion of other Captive Nations people.” There are essentially two reasons for this sort of negative reaction:

—the Crown has traditionally been regarded as the main symbol of governmental/constitutional power in Hungary; hence, to return the Crown to the Kadar regime would be a breach of the trust under which we have safeguarded the Crown since 1945 for a future legitimate Hungarian Government.

—the return of the Crown would in the eyes of some finalize our acceptance of the status quo in Eastern Europe more than any other form of action or declaration. This would symbolize a moral approbation of the legitimacy of the Kadar regime, in particular, and other Eastern regimes in general. (This effect would be more accentuated if Mindszenty were also leaving our Embassy refuge at some close point in time.)

Aside from the domestic implications, it has generally been thought that the Crown should not be returned until there had been an improvement in U.S.-Hungarian relations. In recent years, the Czech invasion, and the snub over the proposed astronaut visit, have ruled out any serious thought of returning the Crown. In addition, there was little sign of movement on a variety of bilateral issues—such as claims negotiations, consular relations, etc—to justify a major symbolic gesture on our part.

Those who would argue for the return of the Crown claim that the domestic problems can now—after 25 years—finally be managed. From the foreign relations standpoint, some symbolic gesture may be in order for the most liberal communist regime in Eastern Europe. In strictly bilateral terms, there has been some improvement: the Hungarians have finally indicated a willingness to proceed with claims talks; civil air agreement negotiations may begin in the fall; and we may soon proceed with negotiations on a consular convention.

Ambassador Puhan recommended³ at the beginning of the year that we consider, at an appropriate moment, turning the Crown over to the Vatican for safekeeping and eventual return. (The analogy to the question of Cardinal Mindszenty is clear.) An intermediate move of

² Documentation on this issue is *ibid.*

³ Not found.

this kind should reduce to a minimum the domestic problem, and would rid us of the Crown as a problem in our bilateral relations with Hungary. However no indication is available of how the Vatican would react to such a proposal; it might not want a hot potato of this sort while it is normalizing relations with the East Europeans.

117. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, June 8, 1971, 1400Z.

942. Subject: Cardinal Mindszenty. Ref: State 97483, Rome 3538.²

1. Appreciate the opportunity to comment.

2. Para 3 State 97483 contains the nub of the matter. The Cardinal's whole instinct is to stay put, and it will take a well considered mix of pressure and inducement to move him. Obedience to Rome is a basic principle to him. Thus, the Vatican proposal should carry the force of a personal wish of the Pope to be fully effective. Anything short of this will give the Cardinal room to maneuver and temporize.

3. Publication of the memoirs is indeed a key factor (para 5, State 97483) and this issue and the question of silence loom as main negotiating areas. The Hungarian Government will exert heavy pressure to get a Vatican commitment on silence and against publication, even posthumously, and it probably feels the Vatican is not unwilling to pay the price in an effort to normalize the situation of the church in Hungary. It should be realized that the chances of getting the Cardinal out will be severely reduced in the absence of some arrangement for publication. The Vatican should be aware that in our judgment the Hungarians do not want the Cardinal to die in the Embassy, and are therefore not in as commanding a position as they will doubtless try to convey. There is room for negotiation, though the Hungarians will not give in easily or quickly. The proposed Koenig-Cheli-Zagon visit to the Cardinal is likely to be only the first stage in an extended process.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret; Priority; Exdis. Repeated to Rome.

² Telegram 97483 to Rome, June 4, instructed the Embassy to seek an appointment with Cardinal Casaroli as soon as possible to stress the U.S. concern for a rapid departure of Mindszenty for reasons of his health and to seek Vatican action to achieve this objective. Telegram 3538 from Rome, June 5, reported on discussions with Casaroli regarding Mindszenty's departure. (Ibid., RG 59, Central Files 1970-73, SOC 12-1 HUNG)

4. We take it that the Department is considering the question of press handling of the visit and will give us guidance. We must assume that the visit will be public knowledge. The most frequently asked question we get from diplomatic colleagues these days is when is Koenig coming to see the Cardinal with the Vatican proposals. Given his past performance Koenig for one will likely be prepared to talk to the press either here or in Vienna.

Meehan

118. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, June 29, 1971, 1225Z.

1123. Subject: Cardinal Mindszenty: Mindszenty Letters to President and Pope.² Ref: Budapest 1110.³

1. *Begin summary:* Mindszenty has written two letters, one to the President, the other to the Pope. The letter to the President states that the Vatican wishes a change in his status, that this is a difficult decision, and he asks for the President's advice. The letter to the Pope includes the statement that he has decided to leave the Embassy and, though he would prefer to remain in Hungary, is prepared to leave the country if this is considered in the best interest of the church. The letter to the Pope thus signifies a sudden and decisive change following the Cheli-Zagon visit. The Vatican should follow up quickly to sustain the momentum now achieved. *End summary.*

2. On my return to Budapest June 28 I found that there had been sudden new developments in the Mindszenty question since the end of the Cheli-Zagon visit (reftel). Mindszenty had told the DCM that he wished to send a letter to the President and another to the Pope. The complete texts of the letters will be transmitted in the two immediately succeeding telegrams.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files, Europe, Hungary, Vol. I. Secret; Priority; Exdis. Repeated priority to Rome.

² The letter to the President is summarized in paragraph 3 below. A translation of Mindszenty's letter to the Pope is in telegram 119533 to Budapest, July 2. (Ibid.)

³ Dated June 27; it reported that Mindszenty had refused a request from Vatican officials to sign a document recording his agreement to leave Hungary and refused to set a date for a second visit from Vatican emissaries. (Ibid.)

3. The letter to the President is short and states essentially that the Vatican wants a change in his status, that this is a difficult decision, that his first obligation is to inform his host of the situation, and he would be grateful for the President's advice. I am sending the original by pouch today to Assistant Secretary Davies (invoice no. C-51, pouch no. K5-694, registry no. 1198854).

4. Mindszenty did not give us the text of the letter to the Pope, which is in Latin. He asked that it be sent sealed to the Pope and we said we would do this. However, we have the text and, according to our translation—we are not expert Latinists and request the Department to furnish an official translation as soon as possible—the Cardinal states among other things that he has decided to leave the Embassy and, while preferring to spend the rest of his days in Hungary, he is also prepared to leave the country if this is considered in the best interests of the church.

5. We have not seen the actual contents of the sealed envelope, but we assume it is the June 28 letter of which we got a copy. It would clearly be important to verify the texts which we are transmitting (Budapest 1125)⁴ against the signed original. I assume Illing will be able to do this in his consultations with Vatican officials.

6. Since Mindszenty's letter to the Pope is of high importance at the present juncture and should be given quick action in the Vatican, I am sending the original by pouch today (invoice no. C-1, pouch no. J-1193, registry no. 1198855) to Embassy Rome for Illing. I recommend that the Department instruct Illing to deliver the original as soon as possible to Casaroli. I also recommend that prior to the arrival of the letter in Rome, Casaroli be told that what we believe is an important message from Mindszenty to the Pope is on its way.

7. The Mindszenty letter to the Pope is a key development, and I urge that we make it clear to the Vatican that it should seize the opportunity to press ahead quickly and firmly for a resolution of the Mindszenty case. The next step is presumably a reply from the Pope accepting Mindszenty's offer. No time should be lost in sustaining the momentum we have now achieved.

8. I believe the present letter to the President should, contrary to the usual practice, be given a Presidential reply. I recommend that this include the following elements: an expression of satisfaction that the U.S. was able to extend hospitality at a time of need; understanding that the Cardinal may wish to change his status; and a general offer to be of assistance to him in the event he decides to change his present status.

Puhan

⁴ Not printed. (Ibid.)

119. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, July 12, 1971, 1154Z.

1217. Subject: Cardinal Mindszenty.

1. *Summary.* In a short meeting I have had with him Mindszenty has indicated that he will tell Cheli and Zagon he cannot give them a definitive response in the absence of a reply to his letter to the President. I told Mindszenty that, while I could not presume to anticipate the President's reply, I felt that the U.S. position was that the decision whether to leave could only be made by him. I recommend that I be authorized on an urgent basis to convey to him, as the official U.S. position, that we cannot presume to advise him on what must be a personal decision. In the absence of such a response on our part, Mindszenty will probably temporize further on his commitment to the Pope to leave. *End summary.*

2. I had a twenty-minute meeting with Cardinal Mindszenty at his request the morning of July 12. The Cardinal was tense and serious, clearly concerned about the decisions he will be facing with the new visit from Rome. He was scathing in his criticism of Vatican policy in Eastern Europe. He said the Vatican simply did not understand the situation in Eastern Europe and in Hungary in particular. He seems to be fighting the commitment given in his letter to the Pope to leave the Embassy and Hungary. I think he will continue to do so in the approaching Cheli-Zagon visit, which could be a very tough one.

3. One practical point of significance emerged which has a very direct bearing on the Cheli-Zagon visit. The Cardinal noted that he did not yet have a reply to his letter to the President.² In the absence of a reply he would, he said, be obliged to tell Cheli and Zagon that one of the essential factors is missing and he could not give them a definitive response. I told Mindszenty that I could not of course presume to anticipate the President's reaction to his letter. However, I felt I should in all candor give him my personal view of the situation. This was that on so highly personal and on so grave an issue as the decision whether to leave the Embassy and Hungary, the U.S. Government would not consider it appropriate for it to offer the Cardinal any advice. Rather, this was a matter which only he could decide. I stressed that the U.S. attitude concerning the Cardinal's situation of refuge was unchanged,

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret; Immediate; Exdis. Repeated priority to Rome.

² The reply was transmitted in telegram 127237 to Budapest, July 14. (Ibid.)

although there was increasing concern about his health and welfare as he grew older.

4. Mindszenty tried to summarize our conversation by saying that he understood me to say that he would not be getting a reply from the President. I corrected this immediately, saying that I did not presume to speak for the President, that I was sure his letter was being given the most careful consideration.

5. We are obviously in a very delicate phase with the Cardinal. He does not want to leave despite his letter to the Pope, and I think he is looking around for some means of avoiding or at least postponing a final decision. He evidently would like to be able to use a reply from the President in effect to negate the force of the Vatican's urging that he should leave. In the absence of any response from Washington to his letter to the President I believe he will, as he indicated to me, tell Cheli and Zagon that he cannot give them a definitive response. I believe we should head off this possibility which, if it developed in fact, would have the effect of drawing out the process of decision. With this in view, I recommend that I be authorized on an urgent basis to convey to the Cardinal as a U.S. Government position essentially what I have already told him. That is, that with regard to his letter to the President, the U.S. Government does not presume to advise him on so grave and so personal a matter which must remain for his decision alone.³

Puhan

³ This position was outlined in the President's letter to Mindszenty. In telegram 1248 from Budapest, July 14, Puhan reported that he had delivered this message and had informed the Vatican representatives of its contents. (Ibid.)

120. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, July 16, 1971, 1450Z.

1265. Subject: Cardinal Mindszenty. Ref: Budapest 1254.²

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret; Immediate; Exdis. Repeated immediate to Rome.

² Dated July 15; it reported on negotiations between Vatican representatives and Mindszenty. (Ibid.)

1. Cardinal Mindszenty approved pro memoria stating he hopes to leave U.S. Embassy in September or at latest in October to reside in Vienna. After fourth meeting with Cardinal lasting more than one and a half hours, Zagon told me that after repeated attempts to alter his decision to depart, Mindszenty himself presented above formulation.

2. Mindszenty next asked Zagon to thank Ambassador for assuring safe conveyance of his memoirs to Vienna. I noted to Zagon they would be conveyed to Embassy Vienna and there held in safekeeping until Mindszenty was safely out of Hungary. Zagon added that he and Cheli would urge the Pope to pressure Cardinal Mindszenty to leave earlier than dates above to attend synod in Rome. Attempt will be made, Cheli suggested, to get Villot to send letter to Mindszenty welcoming his decision to leave and then setting date for audience with Pope in Rome.

3. Cheli and Zagon depart for Rome Saturday morning. Montalvo, however, who has not participated in discussions with Cardinal, apparently will remain over to consult with GOH officials. While negotiators apparently have reasonably firm commitment from Mindszenty, Cheli is first to admit that much now depends on GOH readiness to be flexible and not raise obstacles to Cardinal's departure. Cheli agrees that delay and possible leakage to press at this critical juncture would encourage Mindszenty to procrastinate and possibly even change his mind.

Puhan

121. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, July 21, 1971, 1405Z.

1313. Subject: Foreign Minister Peter on Raising Level of Dialogue.

1. FonMin Peter said he had learned that I was interested in exploring on an entirely unofficial basis the possibility of raising the level of our dialogue. I replied that this was a thought I had raised unofficially in Washington but I had no instructions. Peter assured me his re-

¹ Source: National Archives, RG 59, Central Files 1970–73, POL HUNG–US. Confidential. Puhan reported on other portions of his meeting with Peter in telegrams 1309, 1310, and 1314 from Budapest, July 21. (Ibid. and *ibid.*, SOC 12–1 HUNG)

action was unofficial too but was certain that if he made it to his government it would be accepted. He asked me if I would explore the acceptability of Deputy Prime Minister Peter Valyi having conversations in Washington in the economic area. He noted Valyi had been highly successful Finance Minister, was highly regarded by the Hungarian Government, and had just been raised to the level of Deputy Prime Minister. He described him as an expert in international economic affairs who could talk knowledgeably with American officials.

2. Peter said if we found such a visit interesting he would like to extend an invitation to an American Cabinet official to come and visit Hungary. He would like to extend such an invitation through the Secretary of State whom he would like to meet in New York during the UNGA.

3. I asked Peter whom he had in mind. He replied he would be guided by any suggestions I was prepared to make but someone like Secretary of Commerce Stans would be most welcome.

4. I again told the Foreign Minister that my interest lay in exploring possibilities of this sort and that I would pass on his reaction to my government and let him know the answer. Obviously much preparatory work would have to be done before meetings of this kind could materialize. Also the general climate of our relations would be a factor in our reaction to this type of suggestion.

5. *Comment:* The Department will recall that I explored this suggestion of raising the level of our dialogue while on consultation. While our relations with Hungary are frequently troubled and exacerbated by irritants produced in inimitable fashion by the Hungarians, I believe we might find a dialogue of the sort envisioned here of use to us. Aside from the fact that conversations at the level of Cabinet official and Deputy Prime Minister could hasten a solution of bilateral problems which remain, they could move Hungary into a slightly more independent position within the Bloc than that which they now occupy. Hungary will continue to be exceedingly timid in taking any steps which could be interpreted as moving in the direction of Romania. However, I believe it could be useful to welcome whatever steps in our direction.

6. Valyi is excellent choice for trip to US. I know him and have found him to be likable, flexible, open-minded. He is an architect of the economic reform with what appears to be a bright future. He can be expected to constructively explore those areas in which relations can be improved, especially on the economic side. In return for his visit, I would welcome one by Secretary Stans to Hungary.

Puhan

122. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, July 23, 1971.

SUBJECT

Cardinal Mindszenty: A Status Report

There now appears to be every reasonable prospect that Cardinal Mindszenty will leave our Embassy in Budapest by mid-October, but of course there is always the possibility that the project could still become unglued.

The President's reply letter² was delivered to the Cardinal exactly in time, during the July 15–16 meetings with Vatican officials. The general purport of the exchange of letters was also conveyed to the Vatican. As a result of the lengthy discussions between the Vatican officials and the Cardinal (assisted certainly by the President's letter, as well as a letter from the Pope), the Cardinal finally agreed to leave the Embassy in September or in October at the latest. The final set of conditions posed by the Cardinal was that (a) his sister could visit him in Budapest before he leaves, (b) that the world understand his departure did not mean that the Church's problems in Hungary were solved, and (c) his memoirs could safely be gotten to Austria before he arrives there.

The last condition involves us. Ambassador Puhan proposed that the Embassy utilize the diplomatic pouch to deliver the memoirs to our Embassy in Vienna as soon as feasible, and that they be surrendered to the Cardinal after he arrives in Vienna and after Vatican approval. State has now approved that proposal.³

The present planning for the modalities of the Cardinal's move is that he will travel on a Vatican passport in a car with the Apostolic Nuncio from Vienna and a Vatican official from Rome. With respect to press handling, State intends to have statements on the reasons for the departure come from the Vatican and the Cardinal himself once in Vi-

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret. Sent for information. Initialed by Kissinger.

² See footnote 3, Document 119.

³ Puhan's recommendation was contained in telegram 1267 from Budapest, July 16. The Department of State approved in telegram 132785 to Budapest, July 22. (Both in National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I.)

enna, aside from an expression of our pleasure at being able to have assisted him during these years of refuge.⁴

Ambassador Puhan met July 21 with Hungarian Foreign Minister Peter who raised the Mindszenty situation.⁵ He said he was aware from Vatican sources that the Cardinal was ready to leave the Embassy. Puhan expressed a hope that the arrangements still to be worked out between the Vatican and Hungary could be made without great delay so as to expedite the Cardinal's departure. (Puhan noted that departure before the anniversary of the October 23, 1956 events would be desirable.) Peter understood, and remarked that he was awaiting detailed proposals from the Vatican which would be acted on swiftly.

Peter said that the Cardinal's departure would be beneficial to the normalization of US-Hungarian relations.

⁴ The comments were forwarded to the Embassy in telegram 127281 to Budapest, July 14. (Ibid.)

⁵ See footnote 1, Document 121. Puhan reported on his July 21 discussion with Peter of Cardinal Mindszenty in telegram 1310 from Budapest, July 21. (National Archives, RG 59, Central Files 1970-73, SOC 12-1 HUNG)

123. Telegram From the Embassy in Hungary to the Department of State¹

Budapest, August 9, 1971, 1535Z.

1489. Subject: Cardinal Mindszenty. Ref: State 144482.²

1. We have been asked to comment on line in para 5 reftel prior to its implementation by Rome.³

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret; Priority; Exdis. Repeated to Rome.

² Dated August 6. (Ibid., RG 59, Central Files 1970-73, SOC 12-1 HUNG)

³ In paragraph 5 of telegram 144482 to Rome, August 6, the Department of State requested that the Embassy inform Cheli or Casaroli that the Department was planning to turn the Cardinal's "memoirs over to him personally without conditions, since we believe this will provide him with incentive to make his move. . . . We doubt whether we can move memoirs prior to giving him unconditional commitment to turn them over to him in Vienna, but we hope avoid commitment to turn them over to his designated agent. . . . We would, of course, prefer handle matter in manner acceptable to Cardinal and to Vatican promptly in order expedite movement of memoirs. We therefore hope obtain prompt expression of Vatican's views." (Ibid.)

2. As we have stated from very beginning, principal motivation in Cardinal's decision to leave Embassy and Hungary is hope that with this action he can ensure accurate publication of his memoirs to vindicate his conduct in past 23 years. Without assurances—possibly written assurances signed by President—that memoirs will be turned over to him in Vienna or to someone designated by him, Cardinal will not turn memoirs over to us for conveyance to Vienna or, for that matter, leave Embassy. I think it is equally true that conveyance of memoirs to Vienna with assurance that they will be turned over to him or his designated agent will expedite Cardinal's departure.⁴

3. The question of publication of his memoirs, once the Cardinal is out of our Embassy, is of course an entirely different matter and one entirely between him and the Vatican. It is in my view not a question we ought to get into.

4. Agree fully with Department that we ought to handle matter in manner acceptable to Cardinal and to Vatican promptly.

5. Cardinal is not pressing me for reply to his request but is pressuring Embassy officers who deal with him for Presidential assurances. If after I have authority to seek to persuade Cardinal that cable to President not appropriate, and he remains unconvinced, I shall of course transmit cable as proposed reftel 6B.⁵

Puhan

⁴ In telegram 151133 to Budapest, August 18, the Department of State authorized the Embassy to inform Mindszenty that it would transfer his memoirs to Vienna and then turn them over to him or a designated representative. (Ibid., Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I)

⁵ In telegram 1608 from Budapest, August 25, Puhan reported that he had delivered assurances to Mindszenty in the form of a letter drafted and signed by the Ambassador. The Cardinal, who had requested a personal letter of assurances from the President, was "mulling" whether this form of assurance was satisfactory. (Ibid.)

124. Memorandum From Arthur Downey of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, September 23, 1971.

SUBJECT

Cardinal Mindszenty: Press Handling and Transportation

It appears that the Vatican's tug of war with our Guest has reached the concluding stages. This past weekend, the Pope finally sent the Cardinal a personal telegram warmly but firmly informing the Cardinal that he expected to see him in Rome before the September 30 opening of the Synod of Bishops. The Cardinal indicated that he would be prepared to leave on September 28. He was assured that our Ambassador would move his memoirs out of Budapest and hold them for him in our Embassy in Vienna (the memoirs arrived in Vienna on September 23).²

There are two points which now require your attention: the press handling and transportation.

1. *Press guidance.* State has prepared a telegram containing press guidance, for your approval (Tab A).³ The Vatican and the Hungarian Government have agreed to issue a joint communiqué stating that the Cardinal has "departed definitely" on the basis of an agreement between the Vatican and the Hungarian Government. For our part, State intends no statement until after the joint communiqué, and then will make a statement (no press release) in reply to questions. The statement (paragraph 6 of the telegram at Tab A) points out that the decision to leave was the Cardinal's, and that we are pleased that the US was able to assist him during the years.

The guidance contained in the telegram seems unobjectionable. *The question remains whether it is desired to have the initial US statement made by the White House, rather than the State Department.* I am inclined to think that it should come from here, not State—but of course this question involves domestic considerations.

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Secret; Exdis. Sent for action.

² Published in English as *Memoirs* (New York: Macmillan, 1974).

³ Attached but not printed.

Recommendation

That you approve the dispatch of the cable at Tab A containing press guidance, but altered to provide that the initial USG statement is made from the White House.

Approve

Disapprove, let State handle it (Cable cleared without change)⁴

2. *Transportation.* A series of exchanges have taken place over the question of the mode of transportation for the Cardinal from Budapest to Vienna and on to Rome. The Hungarian Government offered to provide an official aircraft to carry him to Rome, or alternatively to provide him with an entire first class section of a regular Malev flight to Rome. The Cardinal refused. The present planning is that he will travel by car to Vienna.

The Vatican, however, asked us (prior to the Cardinal's refusal of the Hungarian plane) if the USG could provide an aircraft, either Budapest/Vienna/Rome, or from Vienna to Rome. Subsequent comments by the Cardinal (with approval by the Vatican representative) indicate that he plans on being driven to Vienna, and then proceeding to Rome by air after a short rest.

The foreign relations impact of a decision to provide an aircraft would not appear to be significant. The Hungarians would probably grant landing permission for a US VIP aircraft under these circumstances. Providing an aircraft, of course, does link us rather closely to the episode and undercuts some of the emphasis on direct Vatican-Hungarian dealings. The question may have a significant domestic impact. And that seems to cut both ways: a warm gesture such as providing an aircraft would be very welcome by large segments domestically; but, others might very well use that as evidence that the US pressured the Cardinal to leave in order that we might improve relations with the Communist Government of Hungary. (*Note:* I assume you will wish to alert appropriate members of the White House staff to the Cardinal's departure so that interested groups (e.g., Heritage Division) might be informed.)

State has proposed a course which appears to strike a mid-ground: (a) advise the Vatican that we would prefer *not* to provide the aircraft, and to leave the departure details a matter for the Vatican and Hungarian Government; (b) have DOD alert one of its VIP aircraft at Wiesbaden to stand by for possible Budapest/Vienna/Roma or Vienna/Rome flight; and (c) in the event that the Cardinal himself requests USG aircraft and if that appears to be the decisive factor in his on the spot decision to depart, then we should provide it.

⁴ Kissinger initialed this option.

State's proposal is set out in the memorandum at Tab B and a proposed cable containing this instruction at Tab C.⁵

I am inclined to suggest that we offer the Cardinal an aircraft from Budapest or Vienna to Rome, for the following reasons: (a) it would be a generous and fitting gesture to a man with whom we have been so closely linked for 15 years, (b) if he accepts a flight from Budapest, this would eliminate the risk of public demonstrations (by either the people or the Cardinal) along the road if he were to be driven to Vienna, and (c) our offer just might soften his views of the US, and this Administration, which otherwise might appear rather sharp in his memoirs and public statements. Of course, there is a distinct possibility that he will refuse an aircraft even if we offer it.

Recommendation

That the Cardinal be informed, in consultation with the Vatican representative, that the US would be prepared to provide him with an aircraft if he wishes for the flight from Budapest or Vienna to Rome.⁶

⁵ Both attached but not printed.

⁶ Kissinger initialed the approval option. In telegram 1857 from Budapest, September 28, Puhan reported: "Joszef Cardinal Mindszenty left Embassy Budapest for Rome this morning at 0828." (National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I)

125. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Haig)¹

Washington, November 29, 1971.

SUBJECT

The Crown of St. Stephen, Again

A delegation of Hungarian-Americans called on Harry Dent recently to express their concern over the possibility that the US might be

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Limited Official Use. Sent for action. Haig initialed the memorandum to indicate he had seen it. Tabs A–D are attached but are not printed.

planning to return to the Government of Hungary the symbolic Crown of St. Stephen. One of the members, Dr. Eckhardt also delivered a letter from Cardinal Mindszenty for the President urging that the Crown not be returned.² Mr. Dent has sent you a memorandum enclosing the letter and additional material left by the delegation (Tab B).

At the same time, Laszo Pasztor sent HAK a letter also urging that the Crown not be returned (Tab C).³ Pasztor was in the delegation that called on Dent. Mr. Dent asked you for your thoughts on the nature of the reply he must make to the delegation.

Your reply memorandum to Mr. Dent at Tab A⁴ suggests that he express the appreciation of the President for the letter, and that HAK has also received Mr. Pasztor's letter. In addition, the memorandum contains talking points indicating that there are no present plans to return the Crown.

I am unaware of anything which has happened to change our standard position on this issue. *However, in June, Henry was interested in it, and we provided him with a memorandum (Tab D)*⁵ *on the subject outlining the pro's and con's of returning the Crown* (or placing it in the hands of the Vatican, à la Cardinal Mindszenty). As far as I know, he has not taken any decision that would alter the standard line set forth in your memorandum to Mr. Dent.

Recommendation

That you sign the memorandum to Mr. Dent at Tab A.

P.S. Senator Dole's man just called me (November 29) to say that Dole had gotten an earful at a recent meeting of ethnics and that any move on the Crown would cost the President 2 million votes. I told him there were no plans to change the position on the subject. He urged us not to move without consulting Dole. I said we would of course keep that in mind but in any case nothing is afoot.

² In a November 5 letter, Mindszenty wrote to Nixon: "From Western Press reports and from other serious sources we got the information that the present Administration in Washington intends to hand over the Holy Crown of St. Stephen to the atheistic, illegal Hungarian regime, or to that similar in Moscow. I don't easily believe these rumors, spread by the Press, because Mr. President promised me in 1970 not to hand over to these followers of Satan our holiest and greatest national relic and pride." (Ibid.)

³ Pasztor was director of the Heritage Groups Division of the Republican National Committee.

⁴ Haig signed the January 3, 1972, memorandum to Dent.

⁵ Document 116.

126. Editorial Note

On January 19, 1972, Charles Colson forwarded to President's Deputy Assistant for National Security Affairs Alexander Haig a letter to the editor published in the *Washington Evening Star*. In the letter, the writer complained that the Nixon administration had not denied the possibility that the Crown of St. Stephen would be returned to the Hungarian Government. Colson wrote Haig: "Please, please, tell me the attached is not so. Are we trying to blow the entire Eastern European vote or just turn off all Catholics? We may succeed in doing both if there is any truth to the attached [letter to the editor]." (National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I)

Helmut Sonnenfeldt drafted a reply to Colson, which he forwarded to Haig on January 20. At the bottom of the routing memorandum, he wrote by hand: "Al—I am sick of this constant badgering we are getting on this subject. It would help if HAK could let one in on just what prompted his interest in this [the Crown of St. Stephen] last summer since this is what seems to have triggered the campaign against him and the Administration." (Ibid.)

Haig forwarded a revised version of Sonnenfeldt's draft memorandum to Colson on January 21. Haig wrote: "Re your memorandum of January 19, this is a non-issue on which busy people here have already had to spend far too much time. There are no plans to return the Crown of St. Stephen to the present Hungarian Government and this has been repeatedly stated by the Administration. A number of persons with axes of one kind or another to grind have chosen to hang sinister connotations on the phrase 'there are no present plans' [to return the Crown of St. Stephen] which has been used in answers to letters. I hope you will use your influence with your friends to get the canard killed and to get the campaign of imputations against the Administration stopped." (Ibid.)

127. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, June 26, 1972.

SUBJECT

Secretary Rogers' Trip to Hungary

Hungarian Foreign Minister Peter on June 22 made a lengthy foreign policy speech in the course of which he termed the "American war" in Vietnam "despicable" and said the US "makes a mockery of the history of mankind." State called Saturday to ask whether we thought this raises a question about the wisdom of the Secretary's visit.² Neither they nor Ambassador Puhon thought so since it is fairly routine for the Hungarians to speak this way and the rest of Peter's speech was a not unsophisticated review of the current state of East-West relations with a good many positive comments about the US.

I had not heard of the Hungarian trip until five minutes before the public announcement which itself came some 24 hours after word on it had been leaked (while I was in London) and, of course, well after all the arrangements had been made. My judgment would have been that this trip is premature. There are many uncertainties in the Soviet-Hungarian relationship and in Hungarian domestic politics due to Kadar's experimentation with the New Economic Mechanism³ and I would question the wisdom of our blundering into this situation at this time. Moreover, if our Eastern policy has demonstrated anything over the last three years, it is that we do far better picking off these countries one by one instead of rushing them all at once. We are still in process of digesting our Romanian,⁴ and now Polish,⁵ moves; why rush into the next one? And in domestic terms, the Hungarian-American community has quite different views of its ancestral home under Kadar than the Polish-American community has of Poland under Gierek (and the Cardinal).

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 953, VIP Visits, Secretary of State's Visit to Mid-East and European Countries, 28 Jun–7 Jul 1972. Secret; Sensitive; Outside System. Sent for information. According to an attached routing slip, the memorandum was "noted" by Kissinger.

² See Document 128.

³ See footnote 19, Document 26.

⁴ On Nixon's visit to Romania, see Documents 183 and 184.

⁵ On Nixon's visit to Poland, see Documents 163–166.

But a different judgment obviously prevailed and if it was right a week ago it must still be right today regardless of Mr. Peter's obscenities. These may or may not have some profound domestic Hungarian political implication as Puhan suggests. More likely, they simply reflect the fact that, Protestant Bishop though he was in his former life, he is a slippery, utterly unreliable character who well deserves his German nickname Schwarzer Peter. But I am sure he will be the most graceful of hosts for the Secretary of State.

Unless you think differently, I will plan to say nothing further to State. I gather that Secretary Rogers, who has seen the traffic on this matter, is content to let things proceed as arranged.

128. Telegram From the Department of State to the Embassy in Hungary¹

Washington, July 22, 1972, 1814Z.

133194. Subject: SecVisit—Budapest: Memorandum of Conversation.

1. Following is memorandum of conversation of the Secretary's July 7 meeting with Janos Kadar, First Secretary of the Hungarian Socialist Workers Party. Other participants were Ambassador Puhan, and, with Kadar, Hungarian Foreign Minister Janos Peter and the Hungarian Ambassador to Washington, Karoly Szabo. There was also a Hungarian interpreter present.

2. Kadar extended cordial greetings to the Secretary and the Ambassador. He said he was glad that the Secretary had accepted the Hungarian invitation to visit Budapest. He was looking forward to an exchange of views. He called the Secretary's visit a very significant event in U.S.-Hungarian relations. He wished to congratulate the two Ministers on signing the first agreement between the two countries in a long, long time.² He expressed the hope that the exchange of views would be useful in improving our relations further.

[Omitted here is a further exchange of pleasantries between Rogers and Kadar, a tour d'horizon of the international situation by Rogers, and general comments on the international situation by Kadar.]

¹ Source: National Archives, RG 59, Central Files 1970-73, ORG 7 S. Confidential; Exdis. Repeated to Moscow. Drafted by Puhan on July 7 and approved by Rogers and Eliot.

² Reference is to the consular convention signed on July 7; for text, see 24 UST 1141.

17. Turning to U.S.-Hungarian relations, Kadar said we must be realistic. You are aware, he said, turning to the Secretary, of the vast differences in size, geography, ideology and history between our two countries. Historically, Kadar said, U.S.-Hungarian relations were never of the greatest importance, nor was Hungary's foreign policy of much significance in world affairs. This will probably be true in the future also. He asked the question, "What was Hungary to the United States?" Even expanded trade would be a drop in the bucket. He referred to Hungary's location and at least by implication suggested no change in Hungary's position was possible.

18. Kadar said this was not to discourage efforts to improve our relations. Indeed, he thought we should explore all possibilities. He said we genuinely want normal relations and consider greater cooperation with the United States important. But we should not have too high expectations.

19. Referring to trade, Kadar said Hungary can exist only if she can conduct foreign trade. Forty percent of Hungarian GNP is foreign trade. He noted the paucity in natural resources—hydroelectric power, minerals—in Hungary. He said that he thought Hungary's foreign trade would expand and with it the percentage of Hungary's trade with the West. In this regard Kadar said, however, it was relatively immaterial when it came to trading with the West who that partner was, whether it was the FRG, Italy or the United States. But he came back to his thesis that we must have no illusions, no fantasies, regarding the extent to which we can improve upon our trade. At the same time, he said that the United States would find the Hungarian side ready to cooperate and explore all avenues leading to improved relations. He agreed with the Secretary's earlier remark that this normalization process should proceed with not too great speed but then with a chuckle said he saw no great danger in this. What he said he was primarily interested in was not to lose what we had already gained and go backward in our relations.

20. Kadar said that occasionally there are matters of prestige. In this connection, he said, we have our small prestige in Hungary which to us is as important as your great prestige in the United States. He said he wished to conclude by saying that the Hungarians tried to put themselves in the shoes of others to see what is possible and can be done. In this connection he did not wish to dig up the past, but he was reminded of irritants in the past which had poisoned relations between the two countries. The first of these was the so-called [Hungarian?] question in the UN which he readily admitted no longer existed. Another example was the case of Cardinal Mindszenty. He said that a solution to the dilemma Mindszenty had posed had been found, a solution in which his country had taken great risks, the Vatican had taken great risks, and the United States was left without taking any risks.

21. Kadar came back to emphasize that there was desire on the Hungarian side to move ahead, to take positive steps. He said he had received the impression that we had the same wish to seek a normalization of our relations, step by step. Kadar said he was a Communist and he didn't think it was proper to debate ideology with the Secretary. He knew, however, that Hungarians as well as Americans all want normal relations. He noted in passing that the Secretary was in Central Committee headquarters and hoped that there would be no infection as a result. He concluded by thanking the Secretary for visiting Hungary and calling on him. He expressed the firm conviction that the Secretary's trip would move forward the normalization of our relations. He proposed a toast to the health of the Secretary, to better relations between our two countries, and to peace for both nations.

22. The Secretary thanked Mr. Kadar for his presentation. He said he just wished to make one or two short observations, in view of the fact that time had run out and he was due in another office. The first was that he personally abhorred the term "super power" and found that it was usually used when some smaller state says "You are a super power, solve our problems." The second brief observation was to agree with Mr. Kadar that we had no illusions about our relations. Since Mr. Kadar had, however, stressed the interdependence of nations the Secretary felt that better understanding of each country, even understanding by a large country like ours of Hungary or a small country like Hungary of the United States, would lead to better prospects for world peace. He noted in this connection how various peoples of different antecedents had come to live together in peace in the United States.

23. The Secretary concluded by responding to Mr. Kadar's toast, by welcoming better relations between our two countries.

24. *Comment:* The meeting was cordial. Kadar appeared a little nervous at the outset but became more relaxed as the Secretary talked, and even made some sallies at humor.

Rogers

129. Memorandum From Helmut Sonnenfeldt of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, October 13, 1972.

SUBJECT

US-Hungarian Claims Settlement

Acting Secretary Irwin has sent the President a memorandum reporting that a claims settlement agreement between the United States and Hungary was initialed in Washington October 12.² It was negotiated here last week.

Our claims against Hungary (for war damage to the property of US nationals, nationalization of US-owned private and corporate property, and for loss of a US aircraft over Hungary in 1951) came to about \$65 million. The Hungarians have agreed to pay about \$19 million in settlement, to waive their own claims against the United States, and to settle outstanding bonded indebtedness with the American holders of the defaulted Hungarian bonds. The Hungarians also let it be known beforehand that they hope to get MFN treatment but, contrary to the State Department's expectations, their negotiators did not link it directly with their agreement to a claims settlement.

Mr. Irwin considers this settlement "satisfactory" and a major step forward in our relations with Hungary.

The State Department is particularly interested in calling the President's attention to the agreement because it results from discussions which Secretary Rogers held in Budapest last July.³ State has also arranged for the story to get prominent press play as a "surprise" agreement. (See today's *Washington Post*.) CIEP was kept abreast of the negotiations as were we, but no formal clearance was sought. The State Department is now anxious to press ahead in the economic field with the other eastern European countries. (A memorandum from the Secretary on Czechoslovakia has already arrived and is being staffed separately.)⁴ As far as I can see this is being done on an ad hoc basis when what we need is a carefully considered action plan tailored to both our

¹ Source: National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I. Limited Official Use. Sent for urgent action. Horvath initialed the memorandum indicating his concurrence.

² The October 6 memorandum from Irwin to the President is attached but not printed.

³ See Document 128.

⁴ See Document 92.

economic and our political objectives with the separate East European countries. I will be making recommendations to you on this in the next few days.⁵ Meanwhile, I suggest that you forward Mr. Irwin's memorandum to the President for his information by signing the memorandum to him at Tab A.⁶

Recommendation

That you sign the memorandum at Tab A, which forwards the Acting Secretary's report on the Hungarian claims settlement.

⁵ See Document 24.

⁶ An October 14 memorandum from Kissinger to the President, signed by Haig, transmitted Irwin's memorandum and summarized Sonnenfeldt's arguments. It concluded: "The State Department evidently wishes to press ahead to settle outstanding economic issues with other East European countries. I believe that we need to plan the pace and scope of this, weighing both our political and our economic interests in the individual countries. Peter Flanigan and I are directing the agencies to prepare a proposed plan as a basis for our policy decisions in this field." A notation on the memorandum indicates the President saw it. (National Archives, Nixon Presidential Materials, NSC Files, Box 693, Country Files—Europe, Hungary, Vol. I)